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ASX: INF ANNOUNCEMENT

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## European Battery Alliance Meets Infinity: A Key Component in the “EU’s Single Biggest Opportunity in Decades”

### HIGHLIGHTS

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- Infinity hosts national institutional representatives and European Union (‘EU’) delegates including European Battery Alliance (‘EBA’) and the European Investment Bank (‘EIB’) in Madrid.
  - EBA reiterates the critical importance of the development of lithium extraction and refining in Europe whilst calling for a co-ordinated effort in the EU and member states.
  - EBA recognises San José has the opportunity to become an integral and cornerstone component in achieving their goal to create an integrated lithium-ion supply chain within the EU.
  - San José can be a beacon for investment in Extremadura as the EBA focuses on a “battery mining and refining belt” that the EIB predicts will be worth €250 billion by 2025.
  - The EIB is evolving with the rapidly progressing lithium-ion battery technology and reviewing their lending policy to potentially include more battery raw materials and mining projects.
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Infinity Lithium Corporation Limited’s (ASX:INF, ‘Infinity’, or ‘the Company’) Board of Directors welcomed senior institutional representatives and delegates from major participants in the European and Spanish lithium-ion battery chain in a series of meetings in Madrid last week. These invitational meetings reached a crescendo with discussions with the European Battery Alliance (‘EBA’) and European Investment Bank (‘EIB’), and presentation of “Spain’s Unique Strategic Position in the EU’s eMobility Supply Chain” and the unique San José Lithium Project (‘San José, or ‘the Project’) opportunity.

The Madrid meeting was held to ensure key national and EU stakeholders had a briefing and forum to discuss the urgency and opportunity in relation to lithium extraction and refining in the EU today. The importance of San José and other EU lithium-ion battery supply chain opportunities was reiterated in the meeting which are highlighted in the sections below.

The next steps will include continued dialogue with the EBA and EIB as Infinity completes the San José lithium hydroxide Pre-Feasibility Study (‘PFS’). The EBA has expressed a desire to visit the San José site and assist in a facilitation of commercial discussions with other industry participants as part of their “battery mining belt” initiative. Furthermore, Infinity will work collaboratively with the EBA to assess opportunities to attract other industry participants to the region of Extremadura.

The key points from the EBA/EIB meeting in Madrid can be considered against the backdrop of the recent address by European Commission Vice President Maros Šefčovič to the Board of the EIB, which called for the EIB

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to become more fully engaged in funding battery raw material projects in exploration, mining and refining (ASX announcement 14 June 2019).

#### **EBA Recognises Critical Importance of Lithium Chemicals Availability in the EU**

The EBA has previously recognised the critical strategic importance of San José. Thore Sekkenes (EBA Program Director) stated that *“lithium is a vital part of its supply chain. It is critical to develop lithium extraction and refining in Europe and to secure raw materials for Europe, including lithium. Infinity Lithium’s work in Spain is an example of a project that could help the European battery and automotive sector to be more integrated and regionalized thanks to a domestic source of lithium chemicals, and to create growth and jobs in the EU.”*

The Company’s presentation and round table discussions with key stakeholders this week saw Sekkenes note the critical importance of the requirement for the EU to secure its own lithium-ion battery supply chain. ***“This is the single biggest EU opportunity in decades. If we don’t get it done, we will lose many jobs in the EU.”***

Approximately 400GWh of lithium-ion batteries will need to be produced in Europe by 2025, which is the equivalent of 10 – 15 Giga factories of a similar scale to Northvolt’s Sweden plant currently under development. The collaboration between the EIB and EBA delivers EU funding and financing for key strategic battery metals projects. The EIB committed €350m to support Northvolt in Q2 2019, and the EBA has projected the lithium-ion battery and related supply chain will be worth €250bn in Europe by 2025.

The EBA’s goal is to create a competitive and fully integrated battery manufacturing value chain in Europe and prevent a technological dependence on Asia. San José is a recognised potential component of this chain. There is a requirement to capitalise on the job, growth and investment potential of batteries and its supply chain including securing access to European sources of raw materials such as lithium. Sekkenes added that *“access to raw material for batteries in Europe to reduce dependency on other regions is essential... we don’t have refining ability in the EU today, and we need to co-ordinate efforts in Europe”*.

San José’s unique opportunity to provide critical raw materials and refined lithium chemicals within the EU has the potential to act as a beacon of investment for Spain and specifically for the region of Extremadura. Sekkenes noted the EBA continues to engage with more participants in the lithium-ion battery supply chain with a goal to create the EU’s ***“battery mining and refining belt”***.

#### **EIB Actively Supporting European Raw Materials & Refining Projects**

The EIB also accepted Infinity’s invitation and were present in discussions with the EBA. They previously stated they have identified the gap in the supply chain and ***are willing to provide capital to support lithium production in Europe***. In Madrid, they highlighted that the EIB was currently reviewing their lending policy to potential included more battery raw materials and mining projects. The EIB is actively seeking to support European raw materials and refining projects (ASX announcement 1 February 2019).

Infinity welcomed a number of business associations who were present throughout discussions, including AEDIVE and SERNAUTO. Arturo Pérez de Lucía (CEO AEDIVE) noted his ongoing and published support of San José and the requirement to boost mining projects like the one in Extremadura for the future of the automotive sector in Spain. AEDIVE is the Spanish business association for Electric Mobility which comprises around 150 members including companies such as BMW, Jaguar Land Rover, Nissan, Mercedes, and Total. SERNAUTO is the Spanish Association of Automotive Suppliers. It represents the interests of its member companies with both the Spanish and international governments, public administrations, and public and private institutions.

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Infinity's Executive Director Vincent Ledoux-Pedailles was pleased with the ability of Infinity to bring together key parties in the EU's lithium-ion battery supply chain. *"This was the first time the EBA had sent representatives to visit a lithium project in the EU, and it is imperative that we continue to work closely with both the EBA and the EIB to achieve their goals of building a €250 billion lithium-ion battery in Europe over the next 6 years."*

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